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# Report of the Joint Inspection Unit on the use of consultants in the United Nations

## Note by the Secretary-General

The Secretary-General has the honour to transmit to the members of the General Assembly the report of the Joint Inspection Unit entitled "The use of consultants in the United Nations" (JIU/REP/2000/2).

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# THE USE OF CONSULTANTS IN THE UNITED NATIONS

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## ACRONYMS

| | |
|---|---|
| **ACABQ** | Advisory Committee on Administrative and Budgetary Questions |
| **CCAQ/PER** | Consultative Committee on Administrative Questions (Personnel and Administrative Questions) |
| **CCOG** | Common Classification of Occupational Groups |
| **CPC** | Committee for Programme and Coordination |
| **ECOSOC** | Economic and Social Council |
| **ICSC** | International Civil Service Commission |
| **IMIS** | Integrated Management Information System |
| **OHRM** | Office of Human Resources Management |
| **OIOS** | Office of Internal Oversight Services |
| **OPAS** | Operational, Executive and Administrative Services |
| **OPPBA** | Office of Programme Planning, Budget and Accounts |
| **FAO** | Food and Agriculture Organization of the United Nations |
| **JIU** | Joint Inspection Unit |
| **SSAs** | Special Service Agreements |
| **ST/AI** | Secretariat/Administrative Instruction |
| **ST/SGB** | Secretariat/Secretary-General's Bulletin |
| **UNDP** | United Nations Development Programme |
| **UNESCO** | United Nations Educational, Scientific and Cultural Organization |
| **UNHCR** | United Nations High Commissioner for Refugees |
| **UNICEF** | United Nations Children's Fund |
| **UNOG** | United Nations Office at Geneva |
| **WFP** | World Food Programme |

# EXECUTIVE SUMMARY: OBJECTIVE, CONCLUSIONS AND RECOMMENDATIONS

**OBJECTIVE: The effective implementation of policy directives established by the United Nations General Assembly on the use of consultants by the Organization.**

## CONCLUSIONS

(a) Recent General Assembly resolutions have endorsed both a number of recommendations of the ACABQ, the Board of Auditors and the OIOS, and measures proposed by the Secretary-General, which, taken together, constitute a framework for the elimination of irregularities and for better compliance with existing rules and regulations on the use of consultants (paras. 4, 6, 12, 25).

(b) There is a need to reinforce the recently established framework by clarifying further certain outstanding issues of policy and by establishing mechanisms and procedures to facilitate their implementation (paras. 5, 13-14).

(c) Concern over excessive recourse to outside expertise has been voiced by Member States over many years, but the issue has never been systematically or comprehensively addressed (paras. 32, 37-38).

(d) A prerequisite for ensuring compliance with policy guidance within the Secretariat is the promulgation of administrative issuances which contain mechanisms and procedures which are specific, clear and implementable (para. 41).

(e) At present, there is no mechanism to facilitate the implementation of at least two out of seven basic principles contained in the administrative instruction (ST/AI/1999/7) which govern the use of consultants (paras. 42-43, 45-46).

(f) The programme budget is the proper vehicle through which to address concerns of Member States, as well as problems identified and solutions recommended by external and internal oversight bodies (para. 51).

(g) The ACABQ and the CPC could significantly contribute by reviewing the level and rationale of recourse to outside expertise, from all sources of funding, if provided with comprehensive information on the planned and past use of consultancy (para. 54).

(h) With regard to the travel expenses of consultants, the administrative instruction states that "travel costs may be considered but may not distort the geographical balance in the awarding of contracts", but it fails to establish clear operational procedures as to how this should be achieved. This formulation might create confusion and open the door to inconsistent practices among different offices of the Secretariat (para. 71).

(i) The need to travel by consultants should be justified and scrutinized more thoroughly than at present, and the justification should be incorporated in the consultant contract. Alternative means of communication (teleconferencing, e-mail, fax, etc.) should be used whenever possible to reduce the need to travel by consultants (para. 72).

(j) The requirement that a wider geographical basis for consultants be achieved, *inter alia*, "by fixing appropriate norms", as recommended by the Board of Auditors and endorsed in two subsequent resolutions of the General Assembly, should be pursued through an in-depth study of alternative systems (paras. 77-81).

(k) With a view to improving geographical balance, Member States should encourage and facilitate the participation of their nationals and national institutions as consultants. To this end, they should be provided with comprehensive and timely access to information on planned consultancy services required by different offices of the Secretariat (see paras. 84-85).

(l) There does not seem to be a rationale for reporting together on consultants and contractors, be they individual or institutional, and leaving aside participants in advisory meetings (para. 103).

(m) The Secretary-General's most recent report (A/C.5/54/4) on consultants hired in 1998 is a significant step towards ensuring a transparent picture of the use of consultants in the Secretariat; measures for further improving the comprehensiveness of reporting are being suggested. Once established, an acceptable pattern of reporting should be maintained for the purposes of comparison (paras. 99-100, 103, 105-107).

## RECOMMENDATIONS

**1. In order to ensure strict observance of the existing regulations, rules and General Assembly resolutions on the use of consultants, and, in particular, to enable heads of departments and offices to fulfill their responsibilities, the Secretary-General should instruct that:**

**(a) The development of the skills inventory of the staff should be expedited, and the consolidated database made available to programme managers (paras. 43-44).**

**(b) An electronic information system covering all the substantive programmes of the United Nations should be developed, as soon as financially feasible, and the information made accessible to programme managers (paras. 45-48).**

**(c) In the interim, the Office of Human Resources Management (OHRM) should review all consultancy requests to ascertain if the required expertise is available "in-house", and advise heads of departments and offices accordingly. Similarly, in the interim, the Office of Programme Planning, Budget and Accounts (OPPBA) should review all consultancy requests and advise heads of departments and offices in cases where duplication is identified with work or activities already done, being done or about to be done by other individuals, departments or offices of the Secretariat (paras. 49-50).**

**2. The Secretary-General should include in the introduction to the proposed programme budget, summary information on tendencies in the level of resources requested under "consultants and experts" compared with previous bienniums (para. 51).**

**3. The ACABQ and the CPC should be invited to include in their reports on the programme budget, detailed comments and assessment of the situation with regard to, *inter alia*, the level of resources for consultants, both in the regular budget and extra-budgetary resources. Both organs should be provided with full and detailed information on the planned use of resources requested for consultancy, as well as the actual expenditures for consultants in previous budgetary periods (para. 54).**

**4. The Secretary-General should establish clear operational procedures on how the travel expenses of consultants should be handled in order that they do not distort geographical balance in the awarding of contracts. He might consider, *inter alia*, whether travel expenses of consultants should be budgeted as a separate sub-item of consultancy appropriations, or eventually be a part of the overall travel budget of a given**

organizational unit (para. 71).

5. The Secretary-General should study different methodologies which might be used to achieve geographical balance in the use of consultants, and report on workable options to enable Member States to make an informed choice between alternative systems (paras. 79-81).

6. Pending the outcome of the study referred to in Recommendation 5, the General Assembly might wish to request the Secretary-General to take the desirable ranges used for professional staff financed through the regular budget as a norm for the geographical distribution of consultancy (paras. 82-83).

7. For information purposes, the Secretary-General should include in his annual report on the use of consultants a table showing a comparison between the mid-point of the desirable ranges used for the geographical distribution of regular budget posts (expressed as a percentage of the base figure) and the percentage share of each country in the total number of consultant contracts in the reporting period (paras. 82-83).

8. The Secretary-General should ensure that information on planned requirements for consultancy services is made available in a timely manner to the Permanent Missions of Member States (paras. 84-85).

9. The Secretary-General's annual report on consultants hired in the preceding year should be expanded. In addition to the data on consultants by nationality as currently presented, there should be a breakdown of the data by developing and other countries and/or by regional groups. There should also be separate data sets for consultants and experts (participants in advisory meetings) with a breakdown by nationality and by source of funding (regular budget and extra-budgetary) (para. 105).

10. The General Assembly should review and evaluate all aspects of policy and practice in respect of the use of consultants based on either an expanded report of the Secretary-General to be presented at the fifty-seventh regular session, or an in-depth review by the Central Evaluation Unit of the OIOS (para. 109).

# I. INTRODUCTION

1. The Open-ended High-level Working Group on the Strengthening of the United Nations System recommended a number of measures which were subsequently embodied in General Assembly resolution 51/241 of 31 July 1997. This resolution, *inter alia*, requested "the external and internal oversight machinery to give early attention to...the practice and procedures in the employment of consultants" and to report periodically to the General Assembly on the subject.[1] This report of the Joint Inspection Unit (JIU) has been prepared in response to that request. Its main focus is the use of individual consultants in the United Nations Secretariat.

2. The use of consultants in the United Nations has been a subject of close interest to Member States over a period of many years, and their frequently voiced concerns with regard to both the policy and practice in this area of human resources management have been reflected in a number of General Assembly resolutions. The subject has also been the focus of several reports of the Joint Inspection Unit, covering both the United Nations and other organizations of the United Nations system.

3. The first of these reports, prepared in 1973, was in response to the request of the Fifth Committee of the General Assembly for an overall review of the question of experts and consultants hired by different services of the United Nations (A/8531/Add.1). Subsequent reports dealt with the role of experts in development cooperation, and the use of consultants and experts in the Food and Agriculture Organization of the United Nations (FAO), and the United Nations Educational, Scientific and Cultural Organization (UNESCO). The fifth report, issued in 1982, was a progress report on the implementation of the principles and guidelines for the use of consultants and experts in the United Nations.[2] The JIU has concluded that now is the right time to revisit this subject.

4. The debate of the fifty-third session of the General Assembly on the use of consultants, and the ensuing resolution on human resources management, 53/221 of 7 April 1999, give important policy directives which should serve to resolve existing problems and meaningfully improve the situation with regard to recourse to outside expertise by the Organization.[3]

5. This JIU report focuses on certain still unresolved policy issues, and on the practical implementation of already established principles. Key areas of policy remain to be addressed, notably the methodology of needs assessment in recourse to outside expertise; geographical balance in the hiring of consultants; transparency through proper reporting to facilitate the governance and oversight functions of intergovernmental organs; and the respective responsibilities of key partners dealing with consultants, i.e., the substantive departments and central management (Office of Human Resources Management (OHRM) and Office of Programme Planning, Budget and Accounts (OPPBA)). These are all issues which require further elucidation and action, aimed at the establishment of a coherent set of procedures and mechanisms, in order to fully implement the legislative intent of General Assembly resolutions on the use of consultants.

6. In preparing this report, we took special care to build on and develop further the recent reports of the other oversight bodies of the United Nations, notably the report of the Board of Auditors for the biennium ending 31 December 1995,[4] and the audit report on the use of consultants in 1996 prepared by the Office of Internal Oversight Services (OIOS).[5] These reports made practical recommendations for improvements, many -- though not all -- of which were taken up by the Secretary-General in the comprehensive guidelines on the engagement and use of consultants of September 1998,[6] and subsequently incorporated in the administrative instruction on consultants and individual contractors which was issued in August 1999.[7] We are confident that this report of the JIU usefully complements these reports, providing a further example of effective synergy between the oversight bodies.

7. In a search for "best practice" which might be applied by the United Nations, the Inspectors conducted interviews with

knowledgeable officials in FAO and UNESCO, and reviewed the policy and practices of these specialized agencies in respect of their recourse to outside expertise. We wish to express our appreciation to all those in the United Nations, FAO and UNESCO who participated in the interviews for this report, or who otherwise contributed, and for the ideas and expertise which they so willingly shared.

## II. AN OVERVIEW OF THE CURRENT SITUATION

### A. Terminology and related issues

8. For the delivery of its programmes, the United Nations uses a combination of human resources composed primarily of regular staff, supplemented by temporary staff and "non-staff" human resources. The functions of the regular staff are "to carry out the substantive programmes and to perform the support and service functions which are mandated by the Charter or by the legislative bodies of the Organization as the direct responsibility of the Secretary-General".[8] Their skills are needed by the Secretariat on a continuing basis, and they are appointed under contracts of one year or more.

9. Temporary staff are employed to supplement the regular staff in dealing with peak workloads and unexpected demands, to cover temporary absences and vacancies, or to provide conference or other short-term services. The skills required of temporary staff are the same as for the regular staff, but they are appointed under contracts of less than one year. Other individuals with special skills are employed intermittently for high-level positions (special representatives or envoys) on "when actually employed" (WEA) contracts.

10. "Non-staff" human resources can be grouped by function. Contractors (individual, institutional or corporate) either assist the regular staff directly, providing similar skills and performing similar functions to the regular staff, or, through outsourcing, undertake entire non-core functions for the Organization. Consultants (individual, institutional or corporate) and participants in advisory meetings (often referred to as experts) provide special skills, knowledge and expertise not normally possessed by the regular staff and for which there is no continuing need in the Secretariat. Technical cooperation personnel (project personnel including advisers, experts on mission and national experts) are hired to provide technical skills.

11. Procedures for obtaining the services of temporary staff and most non-staff human resources are set out in administrative instructions, four of which date from the 1980s:

- "Temporary staff and individual contractors" (ST/AI/295 of 19 November 1982);
- "Consultants and participants in advisory meetings" (ST/AI/296 of the same date);
- "Technical co-operation personnel and OPAS officers" (ST/AI/297 of the same date);
- "Institutional or corporate contractors" (ST/AI/327 of 23 January 1985).

12. Among the shortcomings identified in recent reports of the oversight bodies has been the failure on the part of a number of Secretariat units to observe the distinction between consultants and individual contractors. This has been attributed, in part, to the "less than clear definitions of those terms given in the existing administrative instructions",[9] and to the practice of using special service agreements (now discontinued) to obtain the services of both consultants and individual contractors. To clarify the situation, the Secretary-General's comprehensive guidelines for the use of consultants in the Secretariat, of 15 September 1998, proposed the following definitions of consultants, individual contractors, participants in advisory meetings and institutional contractors/corporate consultants (A/53/385, paragraph 4):

(a) Consultant

"A consultant is an individual who is a recognized authority or specialist in a specific field, engaged by the United Nations under temporary contract in an advisory or consultative capacity to the Secretariat. A consultant must have special skills or knowledge not normally possessed by the regular staff of the Organization and for which there is no continuing need in the Secretariat. The functions of a consultant are results-oriented and normally involve analysing problems, directing seminars or training courses, preparing documents for conferences and meetings or writing reports on the matters within their area of

expertise on which their advice or assistance is sought. A consultant may not perform functions of staff members of the Organization or be given any representative or supervisory responsibility;"

(b) Individual contractor

"An individual contractor is an individual engaged by the Organization from time to time under temporary contract to provide expertise, skills or knowledge for the performance of a specific task or piece of work against payment of an all-inclusive fee. An individual contractor need not work on United Nations premises. The functions may involve full-time or part-time functions similar to those of staff members, such as provision of translation, editing, language training, public information, secretarial/clerical and part-time maintenance services, or other functions that could be performed by staff members;"

(c) Participants in advisory meetings

"Participants in advisory meetings are individuals whose services are required as members in ad hoc expert groups, workshops, seminars and symposia. They are invited to participate by means of a letter which will give details of the meeting, the legal status and obligations. Participants in advisory meetings are not normally expected to provide any other services to the Organization than their contribution as participants in the meeting in question, but they may agree to contribute papers for consideration at the meeting at no cost.

...However, any person who is invited to provide a written paper or other service in connection with the meeting, in addition to participation, for which a fee is paid by the United Nations will be treated as a *consultant* and engaged as such;"

(d) Institutional contractors/corporate consultants

"Institutional contractors/corporate consultants are individuals or groups of individuals whose services are required temporarily by the Organization and obtained under a contract entered into directly with the institution by which they are employed or subcontracted. In such cases there is no contractual relationship between the individuals concerned and the United Nations. Their contracts are processed between the department or office concerned and Central Support Services of the Department of Management, in accordance with existing delegation of authority on procurement matters..."

The definitions of consultants and individual contractors were endorsed by the General Assembly in resolution 53/221 of 7 April 1999 (Section VIII, paragraph 1). With some minor modifications, these definitions were also adopted in the recently issued administrative instruction entitled "Consultants and individual contractors" (ST/AI/1999/7 of 25 August 1999), which partially supersedes ST/AI/295 and ST/AI/296.

13. The authors consider that, on the one hand, the four new definitions constitute an improvement over the previous situation, but, on the other, they are rather broad, as the ACABQ has noted in its most recent report (A/54/450, paragraph 21 of 7 October 1999). Only with the experience of their application in the next few years will it be possible to assess their usefulness and/or the need for further precision. On the basis of such experience, the General Assembly might revert on this in the context of an overall, comprehensive review of the issue after three years' application, as recommended below (see paragraph 109).

14. We are concerned that in spite of the recent General Assembly resolutions and accompanying debates, the issuance of comprehensive guidelines and the promulgation of a new administrative instruction, there are still problems which remain to be addressed. Some of these relate to matters of terminology, which are reviewed in the paragraphs which follow. We would also like to point out that the new administrative instruction lacks procedural clarity in some important respects; these issues are discussed in subsequent chapters.

15. In definition (a) in paragraph 12 above it is stated that a consultant "must have special skills or knowledge not normally possessed by the regular staff of the Organization and for which there is no continuing need in the Secretariat". This is the defining characteristic of a consultant in the United Nations. The notion has a long history in the Organization: it was among the general principles governing the use of outside expertise in an early administrative instruction, dating from 1975,[10] was reiterated as a general principle in that of 1982,[11] and formed part of the definition of a consultant in the new

administrative instruction of August 1999.

16. In the context of this defining characteristic, the JIU deliberated on the scope of the term "consultant", in part because of the apparent ambiguities which were revealed during the preparations for this report. The starting point was the proposed programme budget, in which "consultants" are teamed with "experts" in the summary table of objects of expenditure (at least in the 1996-1997, 1998-1999 and 2000-2001 bienniums). In the absence of explanatory notes for this summary table of the proposed programme budget, there is potential for confusion: what is included in the term "consultant", what is meant by an "expert"? In fact, there are no definitions in the proposed programme budget at all; the reader requires either prior knowledge or supplementary documentation.

17. As defined above, "consultant", in general, is taken to refer to an individual who enters into a consultancy contract directly with the United Nations to provide certain skills or expertise, the contract being processed by the pertinent human resources service. However, it is also possible for consultancy services to be provided by an institution or a corporation which supplies individuals to the United Nations for the purpose; in this case the contract is with the institution/corporation, not the individual, and is processed by the pertinent procurement service. Consultancy services provided by institutions/corporations are dealt with in an administrative instruction dating from 1985;[12] there is no mention of this source of consultancy in the new administrative instruction on consultants and individual contractors of August 1999. It should also be noted that consultancy services may be performed by gratis personnel provided by Governments and other entities.

18. In analysing the United Nations accounting system -- allotment codes and objects of expenditures -- the term "expert" may be reasonably assumed to cover a variety of individuals including "technical expert" or "expert on mission". In fact, "expert" in the line item of the proposed programme budget refers to a participant in an advisory meeting. In definition (c) in paragraph 12 above, a participant in an advisory meeting is an individual who takes part in ad hoc expert groups, workshops, seminars or symposia. This becomes clearer in the narrative Sections of the proposed programme budget, but it is not at all clear in the summary table, which would benefit from explanatory notes to assist the oversight function of Member States.

19. It is logical to group consultants with participants in advisory meetings since these individuals all share the defining characteristic: they have skills and knowledge not normally possessed by the regular staff and for which there is no continuing need in the Secretariat.[13] This was the position of the JIU in its first report prepared on the subject in 1973.[14] It is also consistent with the fact that "consultants and expert groups" is one of the major object groupings in the programme budget, i.e., groupings of compatible objects of expenditure among which programme managers are allowed some flexibility in allocating actual spending.[15] In the past, reporting on consultants and participants in ad hoc expert groups was presented together in one document,[16] and the General Assembly, in resolution 51/226, has requested that the Secretariat revert to the format of past reports on the subject.

20. The major object grouping "consultants and expert groups", referred to in the previous paragraph, comprises the following:

| Object code | Description |
|---|---|
| 040 | Consultant |
| 041 | Consultants -- Personal service fees |
| 046 | Consultant Travel |
| 048 | Consultants -- Institutional fees and charges |
| 060 | Travel of Non-Staff for Special Purposes |
| 061 | Travel of Expert Groups |
| 062 | Ad hoc expert groups -- Miscellaneous expenses |

From this grouping it would appear that the line item "consultants and experts" in the proposed programme budget covers individual consultants, institutional consultants and participants in advisory meetings, i.e., individuals all sharing the defining characteristic of consultancy noted above.

21. The Unit notes that object code 048 refers to fees and charges for consultants supplied by institutions. However, it is not clear to what extent -- if at all -- consultants supplied by corporations are also included under the object code 048. If expenditure on corporate consultants appears elsewhere in the accounts, then the major object grouping "consultants and experts" only partially reveals expenditure on consultancy services by the Organization.

22. A further ambiguity has been introduced in the confusing terminology "Institutional contractors/corporate consultants" which is the title of the proposed definition in the Secretary-General's comprehensive guidelines (see paragraph 12 (d) above). This implies that only institutions (not corporations) supply contractors and only corporations (not institutions) supply consultants -- which is not the case. The still extant administrative instruction (ST/AI/327 of 23 January 1985), entitled "Institutional or corporate contractors", makes it clear that consultancy services may be supplied by both institutions and corporations.

23. In some past bienniums, the breakdown between "consultants" and "experts" was given in the summary table of the proposed programme budget (e.g., 1994-1995), but this is no longer the case. In the proposed programme budget for 2000-2001 the amount requested for "consultants and experts" is some $18.6 million in the regular budget estimates. In the first report of the ACABQ on this proposed programme budget it was stated that "of the total of $18.6 million, $10.7 million relates to consultants" -- but this latter total does not appear in the summary tables of the proposed programme budget itself.[17] For most Sections, it is possible to trace the breakdown between "consultants" and "experts" in the narrative paragraphs of the programme budget, but the presentation is not consistent between Sections, or, in some cases, even clear.[18]

24. The Open-ended High-level Working Group referred to in paragraph 1 above requested the oversight bodies to report on the use of consultants, and successive resolutions of the General Assembly are also directed at the use of consultants. The General Assembly might provide guidance as to the treatment of experts (participants in advisory meetings) in future reports on the use of consultants. At this stage, the Unit has assumed that expenditure on participants in advisory meetings is not the main concern of the Assembly, and, although we refer to this issue at a number of points, the report concentrates on consultants. Furthermore, the main emphasis of the report is on individual consultants, i.e., those who are hired directly by the United Nations under a consultant contract. (This is also to coordinate with a report of the JIU on private consulting firms which was recently completed.) The Unit has encountered some obstacles, however, in identifying estimates, appropriations and expenditures which are unique to the group "individual consultants" as defined.

## B. Problems and shortcomings reviewed

25. A number of reports issued over the last few years have addressed important shortcomings in the practice of using consultants in the United Nations. The Board of Auditors in 1996 highlighted several problematic areas:[19]

- The widespread practice of considering only one candidate for selection, based on personal contacts and recommendations, and of granting repeat consultancies;
- Sourcing consultants from a narrow geographical base;
- Omission from the terms of reference of specific targets and delivery dates against which the performance of consultants could be measured;
- Variations in the remuneration paid to consultants by comparable units of the Secretariat.

An audit by OIOS of March 1998 on the use of consultants in 1996, also identified deficiencies in the application of existing rules and regulations, notably:

- A lack of proper rosters of candidates for the selection of individual consultants;
- Frequent engagement of consultants on the basis of single-candidate lists

submitted by the user departments;

- Lack of prior verification of qualifications and professional background;
- A failure to observe the distinction between consultants and individual contractors as defined in the existing administrative instructions;
- Unreliable recording and reporting on consultancies at the departmental level;
- Wide disparities in the payments for similar services.

26. Most of these problems are not new, and most have been addressed in recommendations of earlier reports of the internal and external oversight bodies, including the JIU, so their persistence over many years is a matter of concern. Weaknesses in internal controls are at the root of many such problems, and the recommendations of the OIOS audit report were in the main oriented to the tightening of operational procedures and practices within the existing regulatory framework.

27. At the General Assembly's request, the Secretary-General, in September 1998, issued comprehensive guidelines for the use of consultants in the Secretariat (A/53/385), which clarified the responsibility of the respective offices in the engagement of consultants and individual contractors, and covered procedural items such as terms of reference, the selection process, contractual status, remuneration and performance evaluation. The guidelines also made provision for biennial reporting through the ACABQ, to be facilitated by the collection in the Integrated Management Information System (IMIS), by OHRM, of global data on the contracts of consultants and individual contractors.

28. In resolution 53/221 of 7 April 1999 (Section VIII, paragraphs 1-3), the General Assembly noted with concern the persistence of the inadequacies earlier identified by the Board of Auditors in the hiring of consultants. It reiterated its earlier requests that the recommendations of the Board of Auditors, as endorsed in its resolutions 51/226 and 53/204, be fully implemented and, in this regard, requested the Secretary-General to submit a report through the Board to the Assembly at the main part of its fifty-fourth session. The subsequent report of the Secretary-General (A/54/164) and the comments of the Board of Auditors (A/54/165) were circulated on 16 July 1999.

29. As regards the comprehensive guidelines of the Secretary-General, the General Assembly took note of them in resolution 53/221 (Section VIII, paragraphs 11-12) subject to certain provisions and requested him to circulate the revised guidelines as a matter of priority, throughout the Secretariat, with a view to ensuring full compliance. The Unit has noted that the guidelines were in fact "circulated" to all heads of departments and offices under a covering memorandum dated 9 April 1999 from the Assistant Secretary-General, OHRM, with an indication that they were to be "disseminated in an administrative instruction as soon as possible", and this was finally done on 25 August 1999 (ST/AI/1999/7).

30. In addition and/or related to the problems and shortcomings reviewed above, there are a number of fundamental policy and practical issues on the use of consultants, which this report addresses in the following chapters.

## III. LEVEL OF RECOURSE TO EXTERNAL CONSULTANCY

### A. Some facts and figures

31. In recent resolutions on the programme budget for 1998-1999, the General Assembly has stated that it "[r]egrets the tendency towards excessive use of consultants, in particular in areas where in-house expertise is available, and requests the Secretary-General to resort in future to the use of consultants only when in-house expertise is not available and in accordance with the existing rules and regulations and relevant resolutions".[20]

32. Concern over the level of recourse to outside expertise has been voiced by Member States for many years. In the early 1980s this concern related to the tendency for the rate of growth of appropriations for consultants and experts to outpace that of the programme budget. An earlier report of the JIU noted, for example, that between 1962 and 1981 the rate of growth of regular budget appropriations for consultants and experts was twice as high as that of the total appropriations of the regular budget.[21]

33. A different picture emerges, however, in the period 1984-1985 to 1998-1999. In nominal terms, the total appropriations of the regular budget rose by some 57 per cent between these bienniums, whereas appropriations for consultants and experts fell by some 9 per cent in the same period.[22] These longer-term trends can also be seen in changes in the share of outside expertise in the regular budget: the proportion of the total regular budget appropriated for consultants and experts has fallen from 1.1 per cent in the 1984-1985 biennium to some 0.6 per cent in the 1998-1999 biennium. It was not possible, however, to trace the longer-term trends for extra-budgetary resources from the published documents as "consultants and experts" does not appear as a separate object of expenditure in the extra-budgetary tables prior to the 1994-1995 biennium.

34. We analysed data for both the regular budget and extra-budgetary resources for a shorter period (1994-1995 to 1998-1999). For the regular budget, appropriations for consultants and experts fell slightly from $16.3 million in 1994-1995 to $16.0 million in 1998-1999, which was a fall of 1.8 per cent, while the total budgetary appropriations fell by 3 per cent in the same period. In contrast, there was substantial growth in extra-budgetary resources appropriated for consultants and experts from $65.9 million in 1994-1995 to $96.4 million in 1998-1999 -- an increase of some 46 per cent compared with a decrease in total extra-budgetary appropriations of some 20 per cent in the same period. The proportion of consultants and experts in total extra-budgetary resources also rose -- from 1.5 per cent in 1994-1995 to 2.7 per cent in 1998-1999.

35. The analysis referred to above indicates that there has been a sharp increase in extra-budgetary expenditures on consultants and experts combined, at least since the 1994-1995 biennium. This increase has to be seen in the context of the constraints facing the Organization in this period, particularly the reduction in regular budget resources, as well as the need to address new mandates. In the programme performance report for the 1996-1997 biennium the Secretary-General noted that notwithstanding these constraints, "programme managers have managed to...achieve high rates of implementation by redeploying resources from other programmed outputs, resorting to extrabudgetary sources of funding and/or by using the vacant posts to fund short-term consultants".[23]

36. Changes in the presentation of the proposed programme budget restrict the number of bienniums for which it is possible to identify, in published documents, separate data for both consultants and experts. However, the Unit was able to extract such data for the 1992-1993 and 2000-2001 bienniums. For consultants, the estimates for the 2000-2001 biennium show a slight fall (1 per cent) in the regular budget appropriations compared with the 1992-1993 biennium, and virtually no change in the proportion of the regular budget appropriated for consultants (less than 0.5 per cent in each biennium). In sharp contrast, regular budget

appropriations for experts (i.e., participants in advisory meetings) are estimated to rise by more than 60 per cent in this period.[24]

## B. The issues of available in-house expertise and duplication

37. In its report on the proposed programme budget for the biennium 1998-1999, the ACABQ noted that in a number of cases a reduction in posts had been accompanied by an increased request under provisions for consultants and experts. The Advisory Committee was informed that this was "to provide additional flexibility in the implementation of the work programme". However, the Advisory Committee recalled its previous recommendations that "recourse to consultants only be had where the necessary expertise was not available "in-house".[25]

38. Current concerns of Member States regarding "excessive use of consultants" reflect the perception that consultants are being used where in-house expertise is in fact available.[26] Based on the responses during the interviews for this report, the Unit considers that this perception may be well-founded. In spite of the concerns expressed repeatedly by Member States on the matter, it appears that the current practice is to limit the search for staff resources to meet specific requirements to the department concerned, and not to make a Secretariat-wide search. The issue of excessive recourse to outside expertise has in fact never been systematically or comprehensively addressed.

39. In its report on the proposed programme budget for the biennium 2000-2001, the ACABQ again recalled its previous recommendations that recourse to consultants only be made where the necessary expertise is not available "in-house", and stressed the importance of "strict adherence" to resolution 53/221 of 7 April 1999 on human resources management.[27] It is only by meeting the requirements set out in this resolution that a given level of recourse to outside expertise may be justified. We note that most recently the General Assembly, in its resolution 54/249 of 23 December 1999 on questions relating to the programme budget for 2000-2001, once again "[r]egrets the continued tendency towards excessive use of consultants where in-house expertise is available...". Furthermore, this resolution reduced by some $2 million (about 11 per cent) the level of resources requested by the Secretary-General for consultants and experts in 2000-2001.

40. This General Assembly resolution makes a strong statement that the observance of regulations, rules and resolutions on the hiring consultants by the United Nations Secretariat continues to be unsatisfactory, in spite of many relevant recommendations from the ACABQ, the Board of Auditors and the OIOS. The Inspectors believe that this should be regarded with the utmost seriousness, and that new, effective measures should be taken respecting the legislative will of Member States and enabling implementation of rules already promulgated by the Secretariat.

41. We have reviewed the Secretary-General's comprehensive guidelines, issued in 1998 (A/53/385), his report of 1999 on the hiring and use of consultants (A/54/165), and the recently promulgated administrative instruction. We would like to draw attention to flaws in the process for selecting consultants prescribed in the administrative instruction which not only impair but are bound to ensure continued failure in the achievement of the goals defined by the General Assembly. Guidelines and instructions need to be clear and understandable, and must provide the means to carry them out to those responsible for their implementation.

42. Specifically, the following have been defined in Section 2 of ST/AI/1999/7 as two of seven "general principles" which govern the use of consultants:

> "(b) The need for the required services cannot be met from within the staff resources **of the Secretariat** (emphasis added) for lack of specialized knowledge and/or expertise. ..."
>
> "(e) The services to be performed do not duplicate work or activities already done, being done or about to be done by other individuals, departments or offices **of the Secretariat**;" (emphasis added).

43. With regard to principle (b), there does not exist at present a mechanism to scrutinize on a Secretariat-wide basis the availability of individuals with specialized knowledge and/or expertise. The only unit in the Secretariat with comprehensive information on the skills profile of the staff is OHRM. There is a need to establish a mechanism whereby the specialized knowledge and expertise of the staff can be systematically identified on a Secretariat-wide basis and matched to specific requirements. In this context, we note that OHRM has already embarked on a programme to record the skills of all the staff of the Secretariat, and we commend OHRM for this timely initiative. The skills inventory exercise was launched in October 1998 with a staff questionnaire based on the Common Classification of Occupational Groups (CCOG) as developed by the International Civil Service Commission.[28] The Unit has been informed, however, that the substantive departments have been slow to respond to the questionnaire, and that data collected by the end of 1999 covers only 40 per cent of the staff.

44. Eventually, the consolidated database will be made accessible to all departments and offices under specific conditions, rules and procedures. Once comprehensive, the skills database could be used to systematically identify in-house expertise and match it to specific requirements, although there may be cases where the individuals concerned will not be immediately available because of their engagement in current duties. Nevertheless, the skills inventory could provide the mechanism to enable programme managers to comply with the administrative instruction.
**(Recommendation 1(a))**

45. As regards principle (e) above, it is required, under Section 3 of ST/AI/1999/7, that the proposed work assignment of a consultant "...may not include functions which have been assigned to staff members in the recent past or are intended to be so assigned in the near future", and that the head of the department or office certify that this condition has been met as a prerequisite for the engagement of a consultant. Presumably, since the reference to the Secretariat is omitted in this Section of the administrative instruction, it could be construed that, in this case, the certification could be in respect of functions assigned or to be assigned to staff members of the particular department or office. However, we would recall that the "general principles" detailed in Section 2 of the administrative instruction -- which reflect those included in the Secretary-General's comprehensive guidelines -- clearly stipulate that consultants may be hired only when certain conditions, among which the two listed above, are met.

46. Given the "legislative history" of this issue, we believe that the clear intention is to ascertain that the service to be performed does not duplicate recent, current or proposed work within the Secretariat as a whole. The requirement that the head of department or office certify this condition is thus unimplementable at present and, consequently, devoid of validity in the process of assigning responsibility and accountability.

47. At present the only unit in the Secretariat with comprehensive information on the programmes and activities of all departments and offices is the Office for Programme Planning, Budget and Accounts (OPPBA). In order to ensure the availability to heads of departments and offices of pertinent information in this area, we believe that OPPBA should develop an electronic information system covering, in detail, all the substantive programmes of the United Nations. This programme information system should be fully accessible to heads of departments and offices.
**(Recommendation 1 (b))**

48. The Inspectors would like to draw attention to the recent initiative of UNESCO in introducing a system of programming and monitoring of programmes and budgets (SISTER).[29] As a first step, the Secretariat should assess the programme budget implications of developing a similar system for the United Nations.

49. Given the lead times required to develop, test and implement new electronic information systems, we consider that interim measures will be necessary to enable programme managers to comply with the administrative

instruction on the use of consultants. In the interim, OHRM, which is at the moment the only unit able to verify whether or not the required expertise exists within the Secretariat as a whole, should review all consultancy requests and conduct searches of the skills profiles of the staff of the Secretariat in order to ascertain if the required expertise is available "in-house", and advise heads of departments and offices accordingly.

50. Similarly, in the interim, OPPBA should review all proposals for the hiring of consultants with a view to providing heads of departments and offices with basic information that would enable them to fulfill the responsibilities delegated to them under the administrative instruction. In cases where duplication is identified with work or activities already done, being done or about to be done by other individuals, departments or offices of the Secretariat, OPPBA should advise heads of departments and offices accordingly. **(Recommendation 1 (c))**

## C. The role of the budgetary process

51. We believe that the level of consultancy in a given biennium, and the legitimacy of requests for resources for consultants, should best be determined in the budgetary process. Properly structured and clearly presented information in the proposed programme budget would allow for a better review and assessment of requests for such resources. This requires the inclusion in the introduction to the proposed programme budget of summary information on the level of resources requested for consultants compared with previous bienniums to allow an assessment of tendencies over time. Estimates should include a breakdown between "consultants" and "experts", with a further indication in the case of ad hoc expert groups of those requested by legislative organs and those initiated by the Secretariat. **(Recommendation 2)**

52. The instructions issued by the United Nations Secretariat for the preparation of the programme budget for the biennium 1998-1999 offered some flexibility to programme managers by setting out, for the group of accounts comprising each programme, "an indicative amount representing the level of resources which will serve as a framework for...proposals", and by requesting programme managers, within that level of resources, "to set priorities and allocate resources".[30] Furthermore, programme managers were "free to determine the distribution of resources under the various accounts and objects of expenditures". There was, however, an important qualification in that resources and posts had to be "justified in their totality, instead of justifying marginal increases or decreases over the current appropriation".

53. This requirement, which is a zero-based approach, runs counter to common practice prior to the 1998-1999 biennium whereby the level of resources in a given biennium was taken as a maintenance base to be recosted and carried to the next biennium. It applies equally to the budgeting for consultancy -- the 1998-1999 budget instructions make clear that needs assessment for consultancy must begin from a zero base.

54. The authors of this report consider that both the ACABQ and the CPC could significantly contribute by reviewing the level and rationale put forward in the proposed programme budget for recourse to outside expertise and, in particular, of the baseline used in budgeting for that expertise. The ACABQ and the CPC should be provided with full and detailed information on the planned use of resources requested for consultancy, as well as the utilization of allotments for consultants in previous budgetary periods. Both subsidiary organs should be invited to include in their reports on the programme budget, detailed comments and assessment of the situation with regard to the level of resources for consultants, both in the regular budget and extra-budgetary resources. **(Recommendation 3)**

55. The CPC, in reviewing the programmatic aspects of the proposed programme budget, might revisit its previous requests (ECOSOC resolution 1985/78) that the Secretary-General provide adequate information on the reasons why particular tasks could not be carried out by the existing regular staff.

## IV. GEOGRAPHICAL BALANCE IN CONSULTANCY

### A. The principle of equitable geographical distribution

56. The principle of equitable geographical distribution -- stated in terms of wide and representative geographical distribution -- has for many years been one of the basic policy principles guiding the use of consultants by the United Nations. This principle has been reiterated in successive resolutions of the General Assembly, from the early 1970s when the issue was first comprehensively discussed, up to the present time.

57. In the first of its reports on the use of experts and consultants, of July 1973, the JIU found that there was a concentration on a relatively small number of countries as a source of expertise, which was more marked for individual consultants than for ad hoc expert groups.[31] The 1982 report of the JIU, while noting some improvement in the number and proportion of consultants hired from developing countries, found that the majority of consultants were still being recruited from the developed countries of Western Europe and North America. The Unit concluded that the principle of recruitment of consultants on a wider geographical basis, established by the General Assembly, had not been fully observed by the Secretariat.[32] In a new administrative instruction issued in November 1982 it was stated that consultants "shall be selected from as wide and representative a number of countries as possible" (ST/AI/296, paragraph 4).

58. Nevertheless, geographical imbalance in the use of consultants by the Secretariat has persisted. Recent reports of the Board of Auditors and OIOS have confirmed this and, in particular, have pointed to the practice of recruiting consultants from a limited number of developed countries.[33] This situation continues to be a major concern of Member States. In its resolution 51/226 of 3 April 1997 (Section VI), the General Assembly expressed its "*deep concern* that...serious irregularities persist in the identification, terms of reference, hiring, remuneration and management of consultants, including lack of geographical balance". In resolution 53/221 of 7 April 1999, the General Assembly noted "*with concern*" the geographical imbalance in the hiring of consultants and individual contractors in the 1996-1997 biennium and requested the Secretary-General to "take remedial measures in this regard" (Section VIII, paragraph 9).

### B. More facts and figures

59. In its resolution 53/221 of 7 April 1999, the General Assembly requested the Secretary-General to report on consultants hired by the United Nations during the preceding year. A report on consultants (and individual contractors) covering the year 1998 (A/C.5/54/4) states, in paragraph 10, that consultants from 158 different countries were engaged in 1998, although five countries accounted for one third of all consultants engaged (Canada, Chile, France, United Kingdom and United States). Nationals of these same five countries accounted for 38 per cent of the total fees for consultants in 1998.

60. The report of the Secretary-General for 1998 presents nationality data on consultants alphabetically by country. For the purposes of this study only, we have grouped this data by the seven regions which, until recently, have been used to analyse the geographical composition of the staff of the Secretariat (see Annex).[34] The purpose of grouping by region was to facilitate, as far as possible, a comparative analysis with the situation presented in the Secretary-General's report on consultants and participants in ad hoc expert groups for the 1986-1987 biennium, which was the last report issued on the subject in the 1980s.

## TABLE 1

### Geographical distribution of consultancy, 1998

| Region | Consultants | | Contracts | | Days worked | | Total fees | |
|---|---|---|---|---|---|---|---|---|
| | *number* | *per cent* | *number* | *per cent* | *number* | *per cent* | *$ 000* | *per cent* |
| I | 357 | 12.9 | 443 | 11.7 | 27,227 | 14.2 | 3,235 | 12.9 |
| II | 483 | 17.4 | 575 | 15.1 | 35,323 | 18.4 | 3,477 | 13.9 |
| III | 227 | 8.2 | 558 | 14.7 | 15,073 | 7.8 | 1,178 | 4.7 |
| IV | 710 | 25.6 | 937 | 24.7 | 47,782 | 24.9 | 7,308 | 29.1 |
| V | 405 | 14.6 | 526 | 13.9 | 22,147 | 11.5 | 3,459 | 13.8 |
| VI | 106 | 3.8 | 129 | 3.4 | 8,234 | 4.3 | 780 | 3.1 |
| VII | 425 | 15.3 | 554 | 14.6 | 33,379 | 17.4 | 5,072 | 20.2 |
| Others | 34 | 1.2 | 39 | 1.0 | 1,874 | 1.0 | 386 | 1.5 |
| Not specified | 28 | 1.0 | 35 | 0.9 | 1,122 | 0.6 | 190 | 0.8 |
| **GRAND TOTAL** | **2,775** | **100.0** | **3,796** | **100.0** | **192,161** | **100.0** | **25,085** | **100.0** |

*Source:* "Consultants and individual contractors. Report of the Secretary-General", A/C.5/54/5, 25 August 1999, Annex 1, table 2.
*Note:* Country data grouped by the following regions: Africa (I); Asia and the Pacific (II); Eastern Europe (III); Western Europe (IV); Latin America (V); Middle East (VI); North America and the Caribbean (VII).

61. It was reported that during the biennium 1986-1987, nationals of 105 Member States were engaged as consultants, including 78 Member States which were developing countries in Africa, Asia and Latin America.[35] The data presented for 1998 show that nationals of 157 Member States were engaged, including 115 Member States which were developing countries in Africa, Asia, Latin America and Eastern Europe.[36] It is, however, difficult to draw conclusions from this comparison since major political changes in this period have more than doubled the number of countries in the Eastern Europe group, as well as adding to the number of designated "developing countries". Furthermore, comparing annual with biennial data somewhat impairs the validity of the exercise.

62. The number of countries represented is, of course, only one approach to measuring the geographical distribution of consultancy, and the recent reports of the Secretary-General have presented additional nationality indicators, including number of contracts, number of days worked and total fees. As these indicators were not presented in the earlier reports, however, comparisons over time are not possible. Furthermore, these indicators are only useful for analytical purposes if they are accurate and complete, an issue which is discussed further in the next chapter.

63. On the assumption that the statistics on consultants in the Secretary-General's report for 1998 were sufficiently comprehensive, the Unit undertook further analysis of the data on a regional basis and the information is shown in table 1. The dominant region in 1998 was Western Europe, which supplied 26 per cent of consultants and commanded 29 per cent of total fees, followed by North America and the Caribbean, with some 15 per cent of consultants and 20 per cent of total fees.

64. It should be pointed out that the geographical distribution within each regional group is itself very uneven. The countries which are dominant in 1998 in terms of share of total

fees are as follows: Kenya, Senegal and Egypt in Africa; Bosnia and Herzegovina, Croatia and the Russian Federation in Eastern Europe; United Kingdom, France and Netherlands in Western Europe; Chile, Argentina and Brazil in Latin America; Jordan and Lebanon in the Middle East; United States and Canada in North America and the Caribbean; India and Australia in Asia and the Pacific (see Annex).

65. Looked at on a country basis, and ranking countries in descending order according to total fees received, the following "top ten" emerges in 1998: United States, United Kingdom, France, Canada, Chile, Netherlands, India, Belgium, Australia, and Kenya. Together this group of ten countries commanded some 51 per cent of total fees in 1998. It is notable that in 1998 three countries out of the top ten are developing countries, which indicates that some developing countries are well represented in the distribution of consultancy. Nevertheless, the distribution is heavily skewed towards the top end of this group of ten, with the top two countries commanding almost 25 per cent of total fees.

## C. Geographical balance and cost effectiveness

66. The audit report of the OIOS on the use of consultants in the year 1996 recommended that the revised guidelines should underscore "the need to balance the geographical distribution requirements with the objective of achieving economies through local and/or regional recruitment". It further recommended that low-cost consultancies be exempted from the requirement of geographical distribution.[37]

67. The recruitment of consultants on a national and/or regional basis is a common practice which can offer economies in travel costs and fees, but it also has an impact on geographical distribution. If consultants are nationals of the country of the duty station (or nationals of a country of the region), geographical imbalance is likely to be more pronounced.[38]

68. In specific cases local or regional recruitment of consultants is inevitable, reflecting the involvement of the Organization in field operations, notably in situations of conflict prevention and/or resolution and their aftermath. In those circumstances, it is likely that many consultants hired by the United Nations will be nationals of the countries concerned, since local knowledge and skills will be essential attributes in the rehabilitation and reconstruction processes. In analysing the country data presented in the Secretary-General's report on consultants for the 1996-1997 biennium, the Unit found, for example, that in the Eastern Europe region, the second and third highest ranked countries after the Russian Federation in terms of share of total fees for consultancy were Bosnia and Herzegovina and Croatia. This coincides with the implementation of the Dayton Peace Accords of 14 December 1995. In 1998, the Russian Federation slipped to third place (see Annex).

69. The Secretary-General, in his comprehensive guidelines for the use of consultants, stated that "the principle of geographical distribution should not be applied indiscriminately or without regard to other factors" and that "travel costs may have to be considered alongside geographical distribution so as to achieve economies through local and/or regional contracting" (A/53/385, paragraph 14). However, in resolution 53/221 of 7 April 1999, the General Assembly took note of the Secretary-General's guidelines, subject to the provision, *inter alia*, that "[t]he selection of consultants and individual contractors should be on a wider geographical basis and the question of travel expenses should not distort the geographical balance in the awarding of contracts" (Section VIII, paragraph 11 (c)).

70. The issue was again addressed in the report of the Secretary-General of 16 July 1999 on the hiring and use of consultants in the Secretariat. While acknowledging that the United Nations "aims to select consultants on the widest possible geographical basis", the report states that "[a]t the same time, the primary consideration in the engagement of consultants is to gain access to the expertise best suited to the needs of the programme/project concerned, within the budgetary limits established by the

General Assembly in the programme budget" (A/54/164, paragraph 15).

71. These statements suggest that some differences have emerged in the legislative intent of the General Assembly regarding the issues of geographical balance and cost effectiveness, and the interpretation of that intent by the Secretary-General. In the new administrative instruction, in the section on the use of consultants, it is stated that "[t]ravel costs may be considered but may not distort the geographical balance in the awarding of contracts" (ST/AI/1999/7, paragraph 4.3). However, the administrative instruction fails to establish clear operational procedures as to how this should be achieved. The Unit considers that this formulation might create confusion and open the door to inconsistent practices among different offices of the Secretariat. Possible alternatives to the present approach to the issue of travel costs for consultants might be, *inter alia*, to budget these costs as a separate sub-item of consultancy appropriations (which on average represent 15-20 per cent of those funds), or to budget them as part of the overall travel budget of a given organizational unit. This could be done through amending the administrative instruction (ST/AI/1999/7) or issuing an information circular.
**(Recommendation 4)**

72. We believe that the need to travel by consultants must be justified and scrutinized more thoroughly than at present by both the requesting and approving officials. This should be incorporated in the documentation used to process consultant contracts. Alternative means of communication (teleconferencing, e-mail, fax, etc.) should be used whenever possible to reduce the need to travel by consultants.

## D. Achieving geographical balance in practical terms

73. The organizations of the United Nations common system have developed a variety of methodologies in their efforts to give substance, in general, to the principle of equitable geographical distribution. A detailed, comparative review of these methodologies was the subject of a report of the Joint Inspection Unit in 1996, and the reader is referred to that study for more information.[39]

74. In the United Nations Secretariat, a system of desirable ranges is in use which is based on three criteria set out in General Assembly resolution 1852 (XVII) of 19 December 1962: membership in the United Nations; a population factor; and assessed contributions of Member States to the regular budget. However, these desirable ranges are only applied to a specified number of posts at the professional level and above which are financed from the regular budget.

75. Notwithstanding that these empirical methodologies have only been targeted at a certain number of regular budget staff posts, the legislative intent of the General Assembly, expressed in successive resolutions, is that the principle of wide and representative geographical distribution should also embrace the use of consultants by the United Nations Secretariat. However, up to this point in time, the principle has not been applied in any systematic fashion to consultants, even though these personnel are financed, in some part at least, from the regular budgets of the entities which hire them. In the absence of a benchmark or any other system of control, a marked geographical imbalance has persisted.

76. It is 25 years since Member States first requested that consultants be recruited on a wider and more representative geographical basis. While country representation has improved in that time period, marked imbalances persist. It would appear that it is not sufficient to make requests in this regard -- the matter must be handled in a more systematic fashion. Member States are now moving in this direction.

77. In its report of 1996, the Board of Auditors recommended that "the objective of attracting consultants on a wider geographical basis should be achieved, *inter alia*, by fixing appropriate norms and by closer interaction with substantive offices and requesting units at all duty stations".[40] This recommendation was subsequently endorsed in General Assembly resolution A/51/226 of 3 April 1997, and

reaffirmed in resolution A/53/221 of 7 April 1999.

78. The Secretary-General, however, has proposed to deal with what has been a persistent preoccupation of Member States with the undertaking that "every effort will be made to limit the number of consultants engaged from any one Member State within a department/office, or within an occupational group" (A/54/164 of 16 July 1999, paragraph 15). This statement cannot be considered as other than a reiteration of the good intentions which have not in the past generated satisfactory results. These good intentions are also embodied in the administrative instruction which states, in Section 4, paragraph 4.3, that "[e]very effort shall be made to select consultants from the widest possible geographical base".

79. A methodology for fixing appropriate norms has yet to be developed. One approach would be to extend to consultants the system of desirable ranges which is currently used to achieve geographical balance in respect of the regular budget professional staff of the United Nations Secretariat. Such an approach might be difficult to apply, however, since, in that case, the system of desirable ranges works over time by making changes at the margin to a fairly stable core of staff. By definition, a core of employed consultants does not exist. Neither would it be cost effective if it were applied without due consideration to local/regional recruitment, as discussed above.

80. An alternative approach would be to develop a system of national quotas based on membership in the United Nations, or a system of regional quotas, but much the same drawbacks would apply as noted above.

81. As can be seen from this brief review of possible options, there are many practical problems in designing an effective and efficient system for achieving geographical balance in the use of consultants. Given the complexities involved, the Unit believes that will be necessary to entrust OHRM with the responsibility for studying different methodologies and reporting on workable options to enable Member States to make an informed choice between alternative systems.
**(Recommendation 5)**

82. In the interim, the desirable ranges applied to professional staff financed through the regular budget could be taken as a reference point for the hiring of consultants. If the mid-point of the desirable range for each country were to be expressed as a percentage of the base figure, these percentages could be used for indexing the geographical distribution of consultancy. The Secretary-General should include in his report on the use of consultants, a table comparing the percentage for each country derived from the desirable ranges and the actual percentage for each country of total consultancy contracts (or of total consultancy days worked) in the reporting period. Data presented in this manner would highlight the extent to which the geographical distribution of consultancy fell short of the benchmark desirable ranges which are applied to the regular budget staff.

83. A complete data set would facilitate the progressive curtailment by OHRM of the most extreme geographical imbalances. Percentages derived from the desirable ranges might eventually form the basis of the "appropriate norms" which were recommended by the Board of Auditors and endorsed by the General Assembly.
**(Recommendations 6 and 7)**

84. Apart from methodological issues, some improvement in geographical distribution might be achieved if information on consultancy needs in the Secretariat, particularly in the substantive departments, were to be more widely disseminated, and in a timely manner. In this regard, substantive departments should plan their consultancy requirements well in advance. Member States also have a role to play in encouraging the participation of their nationals, and this could be facilitated if information on consultancy needs were to be made directly available to the Permanent Missions of Member States.
**(Recommendation 8)**

85. A wider audience might also be reached if information on consultancy opportunities were to be posted on the United Nations Home Page

on the Internet. At present, the Home Page has detailed information on employment opportunities with the United Nations Secretariat, but only a passing reference to consultants in the context of gender diversity. There is, however, a section on the need for experts and senior advisers as project personnel for technical cooperation programmes. At the very least, a section on consultancy needs might help to ensure a more diverse flow of applicants to a centralized roster.

## V. REPORTING TO MEMBER STATES: THE ISSUE OF TRANSPARENCY

### A. Reporting on the use of consultants

86. A major objective in reporting on the use of consultants in the United Nations is to enable Member States to make meaningful comparisons between the levels of resources which were authorized for the fulfilment of mandates, and the levels that were actually used. Reporting must also facilitate the evaluation of major policy concerns such as geographical and gender balance.

87. At the request of the General Assembly, specific reporting on consultants by the Secretary-General has recently been reintroduced with the objective of improving the flow of information and enhancing transparency. In the first of these reports, for the biennium 1996-1997, the Secretary-General presented a brief analysis, based on incomplete data, which considered both consultants and individual contractors.

88. By resolution 53/221 of 7 April 1999, the General Assembly requested the Secretary-General to continue to submit an annual report on consultants hired by the United Nations during the preceding year, with an indication of their functions (Section VIII, paragraph 4). The Secretary-General's report covering the year 1998, which was issued for the current, fifty-fourth session of the Assembly, presents a much greater range of information than the previous report for 1996-1997. Data on the number of consultants, the number of contracts, days worked and total fees are broken down by nationality, gender and former staff members. There are also statistics on the level of education of consultants, their occupational group, duration of contracts and time actually worked, and the evaluation of performance of contracts, while some of this data is further broken down by department or office. In addition, expenditure on consultants for departments and offices is given by source of funding. In most of the tables the data are also presented in percentage terms which greatly assists the reader in interpreting the information. It was reported that 3,786 contracts were concluded with 2,775 consultants in 1998 for a total fee expenditure of $25.1 million, representing 192,186 days worked.[41]

89. Information on the use of consultants by the United Nations can also be found in both the performance report on the programme budget and the programme performance report which are presented for each biennium.

90. The performance report on the programme budget is issued in two parts for each biennium, the first submitted in the first year of the biennium, and the second towards the end of the second year.[42] The second performance report follows the format of the programme budget itself, providing Member States with financial information regarding changes in the appropriations for consultants and experts combined, so it is not possible to identify projected changes for expenditure on consultants alone. The second performance report for the 1996-1997 biennium, for example, shows an overall decrease in the final appropriations for consultants and experts from some $15 million to some $14 million. This decrease is attributed to fluctuations in rates of exchange and other changes such as common staff costs which more than offset a rise in projected expenditure by one section (peacekeeping operations and special missions).[43]

91. The programme performance report must be issued no later than the end of the first quarter following the end of the biennium.[44] In this report, information on the use by the United Nations of professional human resources (including consultant services) is provided in terms of work-months utilized. Thus, for the biennium 1996-1997, a total of 48,500 professional work-months (including consultants) was reported "available to programme managers for the production of the programme of work", of which 32 per cent was funded from extra-budgetary resources.[45] A more detailed breakdown is given in the annexes to the report, where a distinction is made between professional work-months and consultancy work-months. For example, of the

27,983 work-months (some 58 per cent of total work-months) used for the implementation of activities that generate final outputs, 3,719 work-months were provided by consultants, of which some 60 per cent was financed from the regular budget and 40 per cent from extra-budgetary resources.[46]

## B. Problems of timeliness, reliability and comparability

92. While the reports outlined above meet general reporting requirements, they have been found to be lacking in certain important respects and hence do not always facilitate the governance and oversight functions of Member States. Where such information falls short of required standards of timeliness, reliability and comparability, the reports essentially lose their immediate usefulness for decision makers in the legislative processes.

93. The time lag in the preparation of the programme budget and programme performance reports is an obstacle to effective decision-making. For example, decisions on the proposed programme budget for the biennium 2000-2001 would have been made in late 1999, at which time the only complete biennial performance data available would have been the performance reports for the 1996-1997 biennium. For the 1998-1999 biennium, only the first performance report for the programme budget would have been available, but this does not report on consultants and experts as a separate item. This information is contained only in the second performance report for the programme budget, yet the most important budget decisions would have been made by the time this appeared in December 1999. Furthermore, the programme performance report for the 1998-1999 biennium will not appear before spring 2000.

94. Annual reporting by the Secretary-General on the use of consultants should help to alleviate the paucity of current information if the report is issued in a timely manner. The Secretary-General's report for 1998 was issued in August 1999, so the document should be a useful input to the discussion for the proposed programme budget for the 2000-2001 biennium. With the installation of the financial phase of IMIS at offices away from Headquarters, currently scheduled to begin in April 2000, the report may eventually be issued earlier in the year.

95. Aside from the timeliness issue, there appear to be some problems with the reliability of the data on which all these reports are based, both at the level of overall resource use and more specifically for spending on consultants and experts. In the Secretary-General's programme performance report for 1996-1997, for example, it was noted that "several issues blur the transparency of reporting", including the lack of centrally available information on resources accruing from trust funds and technical cooperation funds, and that "[i]n the absence of a comprehensive picture of the resources available, it will always be difficult to ascertain the efficiency or the pattern of their utilization".[47]

96. Weaknesses in the reporting of expenditure on consultants and experts were highlighted in the audit report of OIOS for the year 1996, which explained in some detail the problems of access to data and its reliability. OIOS could identify only $19.4 million in spending on consultants and experts in 1996 from both regular and extra-budgetary resources.[48] While this figure relates to only one year of the 1996-1997 biennium, it is clearly far short of what might be expected with a total budgetary appropriation of $120 million for consultants and experts (regular budget and extra-budgetary resources combined). The audit report also drew attention to poor record-keeping at the departmental level, including inconsistencies in assigning to budget lines the expenditure on various categories of non-regular staff. This accords with the findings of the Unit during its examination of records held by OHRM in the United Nations Office in Geneva (UNOG).

97. These problems are also evident in the Secretary-General's recent reports on consultants and individual contractors. In reviewing the first of these reports, for the 1996-1997 biennium, the ACABQ noted, *inter alia*, that there were deficiencies in record-keeping, data collection

and processing. Furthermore, it was not presented following the format of past reports on the subject, as requested by the General Assembly. The ACABQ was not able to evaluate the statistics for 1996-1997 because the data presented were not fully reliable, partly because Release III of IMIS was not yet available at offices away from Headquarters.[49]

98. In an interview with IMIS project managers in Geneva in September 1999, it was pointed out to the JIU that some of the problems related to incomplete data might be resolved once the financial release of IMIS is installed at offices away from Headquarters. At the time of writing this report, data on the use of consultants is being collected in IMIS at Headquarters, while for offices away from Headquarters equivalent data is being collected at each location in a Paradox database. The Secretary-General's report on consultants and individual contractors is compiled from these two sources. While the caveat about IMIS also applies to 1998, the collection of statistics for that year in the Paradox database for offices away from Headquarters may well have improved. OHRM has informed the Unit that at a future stage it will either integrate the data currently stored in the Paradox database into IMIS or opt for an alternative software programme.

99. After reviewing the second report of the Secretary-General on consultants and individual contractors (for the year 1998) the Unit concluded that although the reporting has improved considerably it is still not comprehensive. Total fee expenditure on consultants is reported as $25.1 million in 1998, of which $6.8 million from regular budget resources and $18.3 million from extra-budgetary resources. The programme budget estimates for consultants and experts for the 1998-1999 biennium were $15.9 million for the regular budget and $103.7 million for extra-budgetary resources.[50] This suggests that while reporting on regular budget expenditures may be relatively comprehensive, there may still be omissions in the reporting of extra-budgetary expenditures.

100. The Unit encountered other obstacles in using the data in the Secretary-General's report for oversight purposes, including the lack of explanatory notes for the tables. For example, expenditure on consultants is given as "total fees", but there is no explanation of what is included in this item so it is not possible to equate it with any certainty to the line item "consultants and experts" in the programme budget which, as noted in the overview chapter above, covers a range of items of expenditure. It is also not stated in the report if the data on consultants includes participants in advisory meetings. The Secretary-General's comprehensive guidelines for the use of consultants in the Secretariat states that participants in advisory meetings "will be treated as *consultants* and engaged as such" when they provide a paper or other service for which a fee is paid by the United Nations; this needs to be clarified in future reports.[51] Other problems relate to accuracy: in grouping the data by regions, for example, the Unit found some errors in the totals given in the Secretary-General's report. This raises questions about the overall reliability of the data.

101. Problems of consistency and comparability also arise with the performance reports. It is possible, for example, to track back the consultants and experts item from the second budget performance report to the proposed programme budget, but only for the regular budget appropriation -- not for the extra-budgetary resources for this item. The second budget performance report for the 1996-1997 biennium, for example, records and explains a decrease in the regular budget item, but omits any mention of the far larger extra-budgetary resources for this item.[52] Problems of comparability are even greater between the proposed programme budget and the programme performance report, since human resources information in the latter is given in terms of professional work-months, a unit of measurement which is not used in the budget.

102. The programme budget and programme performance reports provide Member States with data on the level of resource utilization -- including consultants and experts -- but they do not give the full picture of resource utilization for all the "non-regular" workforce since specific data for temporary assistance, individual

contractors and institutional contractors are not provided. The Secretary-General's report on consultants goes some way in filling these lacunae, but the information is still not sufficiently comprehensive. Member States receive a variety of reports on the regular staff of the United Nations, including the annual report on the composition of the Secretariat, which provides an overview of the staff by nationality, gender, grade and contractual status, and the list of staff of the Secretariat, a companion report which gives a breakdown by organizational entity, functional title, grade and nationality. In addition, the CCAQ/PER issues an annual report containing personnel statistics on the staff of the organizations in the United Nations common system. These reports provide a wealth of detail on the regular staff, but similar reporting is not available in any consolidated fashion for all categories of the "non-regular" workforce. As a result, Member States are not able to review the overall picture of the United Nations workforce.

## C. Enhancing transparency

103. As indicated in paragraph 99 above, although the report of the Secretary-General for 1998 presents a much greater range of information on consultants, the JIU found certain shortcomings which need to be remedied in order to enhance its effectiveness as an oversight tool for Member States. Confusion remains as to the scope of the report. In resolution 51/226 the General Assembly requested the Secretary-General to report on the hiring and use of consultants on a biennial basis following the format of past reports on the subject, while in resolution 53/221 the Secretary-General was requested to report on an annual basis on the use of consultants. The latest past report was entitled "Use of consultants and participants in ad hoc expert groups in the United Nations in 1986-1987", and presented separate data on these two categories. However, the resumed reports (issued in 1998 and 1999) are entitled "Consultants and individual contractors". While the latest of these also includes data on institutional contractors, it is not clear to what extent participants in advisory meetings are subsumed in the data on consultants.

104. Clarification of the scope of the report, and the inclusion of precise definitions and explanatory notes which link back to clearly defined items in the programme budget are prerequisites to improving transparency. This may entail a revision of the nomenclature and presentation used in the programme budget itself.

105. To facilitate analysis of the geographical distribution of consultancy, the nationality data should be grouped by developing and other countries and/or by the regions formerly used to analyse the composition of the Secretariat's regular staff, and it should be further broken down by regular budget and extra-budgetary resources. At present, geographical data is provided alphabetically by nationality in the Secretary-General's report (the regional groupings and totals in the Annex to this JIU report were generated by the Unit). With a further breakdown of the geographical data in the Secretary-General's report by regular budget and extra-budgetary spending, it would be possible to analyse the geographical distribution of consultancy by source of funding. The geographical distribution of consultancy should also be indexed to the desirable ranges applied to the regular budget staff of the Secretariat, as discussed in the previous chapter.
**(Recommendation 9)**

106. While annual reporting by the Secretary-General is helpful in the budget review process, it has limited usefulness as a document for tracking back to the proposed programme budget, the programme budget performance report and the programme performance report, which are all presented on a biennial basis. To address this problem, it would be helpful to provide a summary for the biennium of the information provided in the two annual reports. This could appear as a supplement to the second of the annual reports.

107. The Unit suggests that once the format and content of the Secretary-General's report are accepted by Member States as meeting their requirements for reporting, its usefulness over the longer term will be maximized if the format and content remain consistent from year to year.

108. The Secretary-General's report on consultants and individual contractors is currently submitted directly to the General Assembly under the agenda item "Human Resources Management". The Unit believes that its usefulness would be enhanced if the report were to be inscribed also under the "Programme Budget" item of the agenda.

109. Following the accepted practice of implementation reviews, the General Assembly should request the Secretary-General to prepare a comprehensive assessment of the extent to which policy guidance and administrative issuances on the use of consultants have been adhered to, as well as an indication of special problems encountered, solutions attempted and proposals for appropriate improvements. This assessment should be presented at the fifty-seventh regular session in the year 2002 as part of an expanded annual report on consultants. As an alternative, the Central Evaluation Unit of the OIOS might be requested to prepare an in-depth review.
**(Recommendation 10)**

## NOTES

1. "Resolution adopted by the General Assembly. Strengthening of the United Nations System", Fifty-first session, 31 July 1997, A/RES/51/241, Sect. XVIII, para. 55 (a).

2. Reports of the JIU previously published on the subject are as follows:

(i) S. Ilic, C. S. Jha, J. A. Sawe and A. F. Sokirkin, "Report on the use of experts and consultants in the United Nations", JIU/REP/73/3, Geneva, July 1973;

(ii) "Report on the Role of Experts in Development Co-operation", JIU/REP/78/3, Geneva, March 1978;

(iii) A. S. Bryntsev and A. N. Forde, "Report on the use of Consultants and Experts in the Food and Agriculture Organization of the United Nations (FAO)", JIU/REP/79/7, Geneva, June 1979;

(iv) A. S. Bryntsev and J. A. Sawe, "Report on the Use of Consultants and Experts under the Regular Programme in the United Nations Educational, Scientific and Cultural Organization (UNESCO)", JIU/REP/79/14, Geneva, November 1979;

(v) A. S. Bryntsev and J. A. Sawe, "Use of Consultants and Experts in the United Nations (Progress Report)", JIU/REP/82/8, Geneva, June 1982.

3. "Resolution adopted by the General Assembly. Human resources management", Fifty-third session, 7 April 1999, A/RES/53/221, Sect. VIII.

4. "Financial report and audited financial statements for the biennium ended 31 December 1995 and Report of the Board of Auditors", Vol. 1, *Official Records of the General Assembly, Fifty-first Session*, Supplement No. 5 (A/51/5).

5. "Report of the Office of Internal Oversight Services on the audit of the use of consultants", in Annex to "Report of the Secretary-General on the activities of the Office of Internal Oversight Services. Human resources management", General Assembly, Fifty-second session, A/52/814, 5 March 1998.

6. "Comprehensive guidelines for the use of consultants in the Secretariat. Report of the Secretary-General", General Assembly, Fifty-third session, A/53/385, 15 September 1998.

7. "Consultants and individual contractors", Administrative instruction, ST/AI/1999/7, 25 August 1999.

8. "Policies for obtaining the services of individuals on behalf of the Organization", Secretary-General's bulletin, ST/SGB/177, 19 November 1982, para. 3.

9. "Report of the Office of Internal Oversight Services...", op. cit., para. 29.

10. "The services to be performed [by outside expertise and professional services] should be those for which provision cannot be found within the staff resources of the Secretariat for lack of specialized knowledge and/or expertise." "Use of outside expertise and professional services", Administrative instruction, ST/AI/232, 28 November 1975, para. 6 (d).

11. "Consultants and participants in advisory meetings are persons whose services the Organization requires from time to time to provide outside expertise, i.e., advisory services or assistance requiring expertise, special skills or knowledge not normally possessed by the regular staff of the Secretariat and for

which there is no continuing need in the Secretariat." "Consultants and participants in advisory meetings", Administrative instruction, ST/AI/296, 19 November 1982, para. 2.

12. The administrative instruction entitled "Institutional or corporate contractors" states that "...consultancy services, which normally involve analysing problems, directing seminars or training courses, preparing documents for conferences and meetings or writing reports on the matters within the area of expertise on which advice or assistance is sought, may be obtained from institutional or corporate contractors". ST/AI/327, 23 January 1985, para. 3.

13. "Policies for obtaining...", op. cit., Annex.

14. S. Ilic et al., op. cit., paras. 22-32.

15. In a memorandum to senior officials dated 25 October 1996, the Chief of the Programme Planning and Budget Section stated that "...in accordance with the existing policy, programme managers are allowed to overspend funds against an object of expenditure as long as this is offset by an under expenditure of the same amount against one or more objects of the same grouping".

16. See, for example, "Use of consultants and participants in ad hoc expert groups in the United Nations in 1986-1987. Report of the Secretary-General", Forty-third session, A/C.5/43/13, 10 October 1988.

17. Advisory Committee on Administrative and Budgetary Questions, "First report on the proposed programme budget for the biennium 2000-2001", *Official Records of the General Assembly, Fifty-fourth Session*, Supplement No. 7, A/54/7, para. 54.

18. The ACABQ, for example, has questioned the presentation of parts of the narrative supporting UNCTAD's estimates for consultants and experts in the proposed programme budget for 2000-2001. Ibid., paras. IV.46 - IV.49.

19. "Financial report and audited financial statements...", op. cit., paras. 31-33 and 155-189.

20. "Resolution adopted by the General Assembly. Questions relating to the proposed programme budget for the biennium 1998-1999", Fifty-second session, 22 December 1997, A/RES/52/220, Sect. II, para. 19. "Resolution adopted by the General Assembly. Questions relating to the programme budget for the biennium 1998-1999", Fifty-third session, 18 December 1998, A/RES/53/214, Sect. IV, para. 21.

21. A .S. Bryntsev and J. A. Sawe, op. cit., para. 2.

22. "Proposed programme budget for the biennium 1986-1987", *Official Records of the General Assembly, Fortieth Session*, Supplement No. 6, A/40/6, Vol. 1, table 6. "Proposed programme budget for the biennium 2000-2001", A/54/6 (Part 1) (ii), 22 April 1999, table 4.

23. 'Programme performance of the United Nations for the biennium 1996-1997. Report of the Secretary-General", General Assembly, Fifty-third session, A/53/122, 13 May 1998, para. 56.

24. "Proposed programme budget for 1994-1995", *Official Records of the General Assembly, Forty-eighth Session*, Supplement No. 6, A/48/6/Rev. 1, Vol. 1, table 7. ACABQ, "First report on the proposed programme budget for the biennium 2000-2001, *Official Records of the General Assembly, Fifty-fourth Session*, Supplement No. 7, A/54/7, para. 54.

25. "Proposed programme budget for the biennium 1998-1999. First report of the Advisory Committee on Administrative and Budgetary Questions", Fifty-second session, A/52/7, 2 October 1997,

Chap. I, para. 83.

26. In its report on the voluntary funds administered by the United Nations High Commissioner for Refugees (UNHCR) in 1996, for example, the Board of Auditors found that "in-house expertise was not explored fully before engaging consultants". The Board recommended that the Division of Human Resources Management "actively verify and establish the need for every consultancy contract and record the justification clearly...". "Financial reports and audited financial statements, and reports of the Board of Auditors. Note by the Secretary-General", Fifty-second session, A/52/261, 29 July 1997, Annex, para. 12.

27. Advisory Committee on Administrative and Budgetary Questions, "First report...", op. cit., para. 54.

28. "Composition of the Secretariat. Report of the Secretary-General", Fifty-fourth session, A/54/279, 26 August 1999, paras. 59-68.

29. UNESCO, "User's Manuel to a System for Integrating Strategies, Tasks and the Evaluation of Results. SISTER", December 1998.

30. "Instructions for the proposed programme budget for the biennium 1998-1999", transmitted electronically to heads of departments and offices and to executive officers and heads of administrations by the Controller of the United Nations (9899INST.DOC).

31. The report concluded that "efforts should be made to select experts and consultants from a wider and more representative number of countries...and that these should include a larger number from developing countries" (S. Ilic et al., op. cit., paras. 209 and 211). In a subsequent decision of the General Assembly, the Secretary-General was requested to include the principle of "wider and more representative" geographical distribution in a new administrative instruction on the use of experts and consultants applicable to all departments and offices of the Secretariat, which was promulgated on 28 November 1975 (ST/AI/232).

32. A. S. Bryntsev and J. A. Sawe, op. cit., paras. 24-27.

33. In its report for the biennium ended 31 December 1995, the Board of Auditors found that nearly 80 per cent of the consultants engaged by Headquarters were from 12 developed countries. "Financial report and audited financial statements for the biennium ended 31 December 1995 and Report of the Board of Auditors", op. cit., Sect. II, paras. 173-174. OIOS noted geographical imbalance in the hiring of consultants during 1996 by 11 units of the Secretariat (three departments at Headquarters, three regional commissions, two organizations based in Nairobi, and three offices based in Europe). The OIOS report defined geographical imbalance as "a situation in which, of the total number of consultants hired at a duty station, a significant number come from a relatively small group of countries". "Report of the Office of Internal Oversight...", op. cit.

34. See, for example, "Composition of the Secretariat. Report of the Secretary-General", Fifty-third session, A/53/375, 11 September 1998, p. 11, table B.

35. "Use of consultants and participants in ad hoc expert groups...", op. cit., para. 17 and Annex II.

36. The category "developing countries" comprises: all countries in Africa; all countries in Asia except Australia, Japan and New Zealand; all countries in Latin America and the Caribbean; all countries in the Middle East; Bosnia and Herzegovina, Croatia, Malta, Slovenia, the former Yugoslav Republic of Macedonia, and Yugoslavia. See "Composition of the Secretariat..", op. cit., Annex II B.

37. "Report of the Office of Internal Oversight...", op. cit., para. 24.

38. The OIOS audit found, for example, that the United Nations Economic Commission for Latin America and the Caribbean (ECLAC) hired 357 consultants from 27 countries in 1996, 225 of whom -- or 63 per cent -- came from only three countries. However, all three countries (including the host country) were in the ECLAC region.

39. F. Bouayad-Agha and H. L. Hernández, "Comparison of methods of calculating equitable geographical distribution within the United Nations common system", JIU/REP/96/7, Geneva, December 1996.

40. "Financial report and audited financial statements for the biennium ended 31 December 1995 and Report of the Board of Auditors", op. cit., para. 175.

41. "Consultants and individual contractors. Report of the Secretary-General", op. cit., table 1.

42. In the second performance report, projected changes to the regular budget, due to changes in the inflation rate and currency fluctuations, are shown by main object of expenditure, by main determining factor and by main section of expenditure.

43. "Programme budget for the biennium 1996-1997. Second performance report. Report of the Secretary-General", Fifty-second session, A/C.5/52/32, 11 December 1997, schedules 2 and 3.

44. "Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation", Secretary-General's bulletin, ST/SGB/PPBME Rules/1(1987), Regulation 5.3.

45. "Programme performance of the United Nations for the biennium 1996-1997...", op. cit., para. 26.

46. Ibid., Annex I.

47. Ibid., paras. 58 and 59.

48. "Report of the Office of Internal Oversight...", op. cit., Introduction and paras. 6 and 7.

49. "Report of the Advisory Committee on Administrative and Budgetary Questions", Fifty-third session, A/53/691, 20 November 1998, paras. 14-16.

50. "Consultants and individual contractors...", op. cit., Annex tables 1 and 8. "Proposed programme budget for the biennium 1998-1999...", op. cit., tables 4 and 9.

51. "Comprehensive guidelines for the use of consultants...", op. cit., para. 4 (c).

52. "Programme budget for the biennium 1996-1997. Second performance...", op. cit., Section II, schedules 2 and 3.

# ANNEX 1
## Geographical distribution of consultancy, 1998

| Region and country of nationality | Consultants *number* | Contracts *number* | Days worked *number* | Total fees *$000* |
|---|---|---|---|---|
| **AFRICA** | | | | |
| Algeria | 8 | 9 | 528 | 134 |
| Angola | 0 | 0 | 0 | 0 |
| Benin | 11 | 17 | 1,141 | 194 |
| Botswana | 1 | 1 | 21 | 8 |
| Burkina Faso | 8 | 8 | 405 | 35 |
| Burundi | 4 | 5 | 177 | 32 |
| Cameroon | 14 | 15 | 869 | 99 |
| Cape Verde | 0 | 0 | 0 | 0 |
| Central African Republic | 2 | 2 | 59 | 17 |
| Chad | 1 | 1 | 22 | 5 |
| Comoros | 0 | 0 | 0 | 0 |
| Congo | 3 | 3 | 294 | 34 |
| Côte d'Ivoire | 4 | 4 | 399 | 57 |
| Democratic Republic of the Congo | 2 | 2 | 72 | 11 |
| Djibouti | 0 | 0 | 0 | 0 |
| Egypt | 39 | 42 | 2,626 | 288 |
| Equatorial Guinea | 0 | 0 | 0 | 0 |
| Eritrea | 1 | 1 | 60 | 7 |
| Ethiopia | 35 | 57 | 3,762 | 246 |
| Gabon | 1 | 1 | 90 | N/A |
| Gambia | 4 | 5 | 431 | 30 |
| Ghana | 12 | 13 | 1,247 | 126 |
| Guinea | 2 | 2 | 89 | 4 |
| Guinea-Bissau | 1 | 2 | 90 | 15 |
| Kenya | 41 | 57 | 3,601 | 521 |
| Lesotho | 1 | 1 | 266 | 1 |
| Liberia | 2 | 4 | 434 | 62 |
| Libyan Arab Jamahiriya | 0 | 0 | 0 | 0 |
| Madagascar | 6 | 7 | 375 | 31 |
| Malawi | 2 | 2 | 121 | 21 |
| Mali | 4 | 4 | 460 | 20 |
| Mauritania | 9 | 10 | 378 | 74 |
| Mauritius | 3 | 3 | 146 | 16 |
| Morocco | 15 | 16 | 1,024 | 104 |
| Mozambique | 2 | 2 | 61 | 8 |
| Namibia | 1 | 1 | 266 | N/A |
| Niger | 1 | 1 | 34 | 5 |
| Nigeria | 6 | 9 | 460 | 48 |
| Rwanda | 3 | 4 | 261 | 36 |
| Sao Tome and Principe | 1 | 1 | 167 | 38 |
| Senegal | 29 | 33 | 1,551 | 322 |
| Seychelles | 0 | 0 | 0 | 0 |
| Sierra Leone | 5 | 4 | 340 | 22 |
| Somalia | 1 | 1 | 21 | 1 |
| South Africa | 17 | 20 | 517 | 98 |
| Sudan | 2 | 2 | 143 | 6 |
| Swaziland | 0 | 0 | 0 | 0 |
| Togo | 2 | 4 | 162 | 10 |
| Tunisia | 16 | 21 | 823 | 175 |
| Uganda | 6 | 9 | 680 | 79 |
| United Republic of Tanzania | 12 | 17 | 1,152 | 107 |
| Zambia | 9 | 11 | 860 | 46 |
| Zimbabwe | 8 | 9 | 442 | 42 |
| **Regional total** | **357** | **443** | **27,227** | **3,235** |

| Region and country of nationality | Consultants *number* | Contracts *number* | Days worked *number* | Total fees *$000* |
|---|---|---|---|---|
| **ASIA AND THE PACIFIC** | | | | |
| Australia | 51 | 73 | 3,871 | 586 |
| Bangladesh | 27 | 37 | 1,912 | 201 |
| Bhutan | 1 | 1 | 60 | 4 |
| Brunei Darussalam | 0 | 0 | 0 | 0 |
| Cambodia | 4 | 4 | 145 | 9 |
| China | 39 | 43 | 2,235 | 293 |
| Democratic People's Republic of Korea | 3 | 3 | 194 | 9 |
| Fiji | 4 | 5 | 177 | 18 |
| India | 73 | 84 | 5,279 | 768 |
| Indonesia | 17 | 18 | 1,033 | 79 |
| Japan | 24 | 25 | 2,195 | 210 |
| Lao People's Democratic Republic | 5 | 5 | 230 | 10 |
| Malaysia | 21 | 23 | 962 | 85 |
| Maldives | 2 | 2 | 92 | 4 |
| Marshall Islands | 0 | 0 | 0 | 0 |
| Micronesia (Federated States of) | 0 | 0 | 0 | 0 |
| Mongolia | 4 | 4 | 155 | 8 |
| Myanmar | 3 | 4 | 180 | 6 |
| Nepal | 18 | 18 | 2,932 | 84 |
| New Zealand | 10 | 12 | 611 | 93 |
| Pakistan | 21 | 22 | 1,523 | 130 |
| Palau | 4 | 4 | 217 | 16 |
| Papua New Guinea | 2 | 3 | 112 | 15 |
| Philippines | 44 | 58 | 4,018 | 258 |
| Republic of Korea | 18 | 20 | 1,197 | 81 |
| Samoa | 1 | 1 | 30 | 6 |
| Singapore | 8 | 9 | 658 | 43 |
| Solomon Islands | 1 | 1 | 50 | 5 |
| Sri Lanka | 25 | 34 | 1,873 | 229 |
| Thailand | 36 | 44 | 2,104 | 164 |
| Tonga | 0 | 0 | 0 | 0 |
| Vanuatu | 0 | 0 | 0 | 0 |
| Viet Nam | 17 | 18 | 1,278 | 63 |
| **Regional total** | **483** | **575** | **35,323** | **3,477** |

| Region and country of nationality | Consultants *number* | Contracts *number* | Days worked *number* | Total fees *$000* |
|---|---|---|---|---|
| **EASTERN EUROPE** | | | | |
| Albania | 9 | 13 | 1,744 | 35 |
| Armenia | 6 | 8 | 613 | 13 |
| Azerbaijan | 2 | 2 | 162 | 5 |
| Belarus | 1 | 1 | 21 | 1 |
| Bosnia and Herzegovina | 36 | 215 | 2,506 | 220 |
| Bulgaria | 9 | 9 | 910 | 50 |
| Croatia | 34 | 148 | 1,485 | 187 |
| Czech Republic | 5 | 7 | 584 | 72 |
| Estonia | 2 | 2 | 36 | 6 |
| Georgia | 2 | 2 | 188 | 6 |
| Hungary | 8 | 8 | 170 | 34 |
| Kazakhstan | 8 | 9 | 356 | 11 |
| Kyrgyzstan | 4 | 4 | 233 | 4 |
| Latvia | 2 | 3 | 84 | 11 |
| Lithuania | 1 | 1 | 29 | 3 |
| Poland | 8 | 9 | 269 | 69 |
| Republic of Moldova | 1 | 1 | 29 | 4 |
| Romania | 12 | 12 | 1,137 | 51 |
| Russian Federation | 31 | 38 | 1,882 | 166 |
| Slovakia | 3 | 3 | 123 | 8 |
| Slovenia | 2 | 3 | 79 | 7 |
| Tajikistan | 3 | 3 | 223 | 4 |
| The former Yugoslav Republic of Macedonia | 4 | 4 | 189 | 22 |
| Turkmenistan | 3 | 3 | 132 | 4 |
| Ukraine | 3 | 3 | 290 | 35 |
| Uzbekistan | 7 | 8 | 444 | 13 |
| Yugoslavia | 21 | 39 | 1,155 | 137 |
| **Regional total** | **227** | **558** | **15,073** | **1,178** |
| **WESTERN EUROPE** | | | | |
| Andorra | 0 | 0 | 0 | 0 |
| Austria | 12 | 14 | 620 | 132 |
| Belgium | 26 | 40 | 2,384 | 598 |
| Denmark | 14 | 14 | 707 | 99 |
| Finland | 9 | 10 | 600 | 62 |
| France | 127 | 179 | 9,086 | 1,385 |
| Germany | 47 | 60 | 2,911 | 402 |
| Greece | 6 | 7 | 796 | 84 |
| Iceland | 0 | 0 | 0 | 0 |
| Ireland | 21 | 26 | 1,614 | 316 |
| Italy | 42 | 48 | 2,749 | 354 |
| Liechtenstein | 0 | 0 | 0 | 0 |
| Luxembourg | 0 | 0 | 0 | 0 |
| Malta | 0 | 0 | 0 | 0 |
| Monaco | 0 | 0 | 0 | 0 |
| Netherlands | 91 | 126 | 5,709 | 823 |
| Norway | 8 | 10 | 333 | 60 |
| Portugal | 5 | 5 | 107 | 23 |
| San Marino | 0 | 0 | 0 | 0 |
| Spain | 20 | 26 | 817 | 105 |
| Sweden | 31 | 35 | 2,343 | 282 |
| United Kingdom of Great Britain and Northern Ireland | 251 | 337 | 17,006 | 2,583 |
| **Regional total** | **710** | **937** | **47,782** | **7,308** |

| Region and country of nationality | Consultants *number* | Contracts *number* | Days worked *number* | Total fees *$000* |
|---|---|---|---|---|
| **LATIN AMERICA** | | | | |
| Argentina | 62 | 85 | 2,946 | 466 |
| Bolivia | 11 | 11 | 545 | 125 |
| Brazil | 50 | 56 | 3,219 | 422 |
| Chile | 119 | 166 | 5,295 | 878 |
| Colombia | 35 | 41 | 2,266 | 295 |
| Costa Rica | 8 | 8 | 463 | 162 |
| Cuba | 3 | 3 | 86 | 17 |
| Dominican Rep | 3 | 4 | 209 | 33 |
| Ecuador | 11 | 13 | 813 | 144 |
| El Salvador | 5 | 6 | 280 | 48 |
| Guatemala | 9 | 12 | 384 | 67 |
| Haiti | 7 | 12 | 498 | 56 |
| Honduras | 3 | 6 | 135 | 20 |
| Mexico | 22 | 22 | 949 | 149 |
| Nicaragua | 2 | 2 | 39 | 9 |
| Panama | 2 | 2 | 36 | 9 |
| Paraguay | 1 | 1 | 120 | 8 |
| Peru | 25 | 43 | 2,109 | 320 |
| Suriname | 0 | 0 | 0 | 0 |
| Uruguay | 19 | 23 | 1,168 | 169 |
| Venezuela | 8 | 10 | 587 | 62 |
| **Regional total** | **405** | **526** | **22,147** | **3,459** |
| **MIDDLE EAST** | | | | |
| Afghanistan | 0 | 0 | 0 | 0 |
| Bahrain | 1 | 1 | 30 | 1 |
| Cyprus | 0 | 0 | 0 | 0 |
| Iran (Islamic Republic of) | 17 | 22 | 1,684 | 133 |
| Iraq | 5 | 5 | 176 | 12 |
| Israel | 9 | 17 | 365 | 92 |
| Jordan | 23 | 25 | 1,529 | 206 |
| Kuwait | 1 | 1 | 30 | 1 |
| Lebanon | 25 | 30 | 2,370 | 177 |
| Oman | 1 | 1 | 30 | 1 |
| Qatar | 1 | 1 | 35 | 1 |
| Saudi Arabia | 3 | 3 | 290 | 16 |
| Syrian Arab Republic | 7 | 9 | 491 | 36 |
| Turkey | 9 | 9 | 955 | 89 |
| United Arab Emirates | 1 | 1 | 65 | 1 |
| Yemen | 3 | 4 | 184 | 14 |
| **Regional total** | **106** | **129** | **8,234** | **780** |

| Region and country of nationality | Consultants *number* | Contracts *number* | Days worked *number* | Total fees *$000* |
|---|---|---|---|---|
| **NORTH AMERICA AND THE CARIBBEAN** | | | | |
| Antigua and Barbuda | 2 | 3 | 401 | 147 |
| Bahamas | 0 | 0 | 0 | 0 |
| Barbados | 1 | 1 | 60 | 8 |
| Belize | 0 | 0 | 0 | 0 |
| Canada | 93 | 132 | 7,518 | 1,172 |
| Dominica | 0 | 0 | 0 | 0 |
| Grenada | 0 | 0 | 0 | 0 |
| Guyana | 2 | 3 | 93 | 30 |
| Jamaica | 12 | 13 | 996 | 153 |
| Saint Kitts and Nevis | 0 | 0 | 0 | 0 |
| Saint Lucia | 0 | 0 | 0 | 0 |
| Saint Vincent and the Grenadines | 1 | 2 | 127 | 21 |
| Trinidad and Tobago | 3 | 3 | 145 | 16 |
| United States of America | 311 | 397 | 24,039 | 3,525 |
| **Regional total** | **425** | **554** | **33,379** | **5,072** |
| **OTHERS** | | | | |
| Switzerland | 34 | 39 | 1,874 | 386 |
| Stateless | 0 | 0 | 0 | 0 |
| **Subtotal** | **34** | **39** | **1,874** | **386** |
| **NATIONALITY NOT SPECIFIED** | **28** | **35** | **1,122** | **190** |
| **GRAND TOTAL** | **2,775** | **3,796** | **192,161** | **25,085** |

*Source:* "Consultants and individual contractors. Report of the Secretary-General", August 1999, A/C.5/54/4, Annex I, table 2.